

MKHONDO MUNICIPALITY				
BALANCE SHEET AT 30 JUNE 2008				
	Aant Note	2006/2007 R	2007/2008 R	
CAPITAL EMPLOYED				CAPITAL EMPLOYED
Funds and Reserves		50 765 559	39 868 222	Funds and Reserves
Authorised Funds	1	27 277 236	10 387 590	Authorised Funds
Reserves	2	23 488 323	29 480 633	Reserves
(Accumulated Deficit)/Retained Surplus		15 595 497	13 912 164	(Accumulated Deficit)/Retained Surplus
Rates and General Services	17	15 595 497	13 912 164	Rates and General Services
		-	-	
		66 361 056	53 780 386	
Trust Funds	3	2 511 933	2 511 933	Trust Funds
Long-Term Liabilities	4	12 188 365	11 330 956	Long-Term Liabilities
Consumer Deposits: Services	5	2 502 243	2 486 720	Consumer Deposits: Services
		R 83 563 598	R 70 109 995	
EMPLOYMENT OF CAPITAL				EMPLOYMENT OF CAPITAL
Fixed Assets	6	13 728 364	12 447 140	Fixed Assets
Investments	7	67 545 016	51 976 598	Investments
Long-Term Debtors	8	3 980 105	-	Long-Term Debtors
		85 253 484	64 423 738	
Net Current Assets/(Liabilities)		-1 689 887	5 686 257	Net Current Assets/(Liabilities)
Current Assets		11 248 778	13 813 361	Current Assets
Stock	9	1 192 730	2 353 965	Stock
Debtors	10	10 042 109	5 225 424	Debtors
Shortterm portion of Investments	7	-	-	Shortterm portion of Investments
Shortterm portion of Longterm Debtors	6	-	-	Shortterm portion of Longterm Debtors
Deferred Charges	23	-	6 220 031	Deferred Charges
Bank balance	23	13 940	13 940	Bank balance
Cash	23			Cash
Current Liabilities		12 938 665	8 127 104	Current Liabilities
Provisions	11	2 940 603	2 850 394	Provisions
Creditors	12	5 063 356	4 160 525	Creditors
Bank Overdraft	23	3 394 705	-	Bank Overdraft
Shortterm portion of longterm liabilities	4	1 540 000	1 116 185	Shortterm portion of longterm liabilities
		R 83 563 598	R 70 109 995	
R LEDWABA				E D B DELPORT
<i>Municipal Manager</i>				<i>Acting Chief Financial Officer</i>
20 AUGUST 2008				

MKHONDO MUNICIPALITY						
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008						
	2006/2007			2007/2008		
	Actual Income	Actual Expenditure	Surplus/ (Deficit)	Actual Income	Actual Expenditure	Surplus/ (Deficit)
RATES AND GENERAL SERVICES	R 72 706 816	R 62 720 903	R 9 985 913	R 81 200 900	R 72 808 395	R 8 392 505
Community Services	58 489 622	47 689 511	10 800 111	62 593 385	54 925 293	7 668 092
Subsidised Services	907 804	5 230 089	-4 322 285	1 272 319	6 548 851	-5 276 533
Economic Services	13 188 166	9 790 356	3 397 810	17 270 001	11 331 016	5 938 985
Housing Services	121 224	10 947	110 277	65 196	3 235	61 961
TRADING SERVICES	33 209 446	30 429 648	2 779 798	33 716 021	32 672 579	1 043 442
TOTAL	R 105 916 262	R 93 150 551	R 12 765 711	R 114 916 921	R 105 480 974	R 9 435 947
Appropriations for the year (Refer to note 17)			R -46 149 957			R -11 119 280
Net surplus/(deficit) for the year			R -33 384 246			R -1 683 333
Retained surplus/(Accumulated deficit) beginning of the year			48 979 743			15 595 497
RETAINED SURPLUS/(ACCUMULATED DEFICIT) BEGINNING OF THE YEAR			R 15 595 497			R 13 912 165

Refer to Appendices D & E for further details.

MKHONDO MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

		2006/2007	2007/2008	
	Note	R	R	
CASH RETAINED FROM OPERATING ACTIVITIES:		16 490 913	-4 320 084	CASH RETAINED FROM OPERATING ACTIVITIES:
Cash generated by operations	18	15 404 100	-12 166 136	Cash generated by operations
Investment Income	16	5 175 225	4 642 593	Investment Income
Increase/(Decrease) deposits	5	-533 029	-15 523	Increase/(Decrease) deposits
(Increase)/Decrease in working capital	19	-2 195 060	5 253 291	(Increase)/Decrease in working capital
		17 851 236	-2 285 776	
<i>Less:</i> External interest paid	16	-1 360 323	-2 034 308	<i>Less:</i> External interest paid
Cash available from operations		16 490 913	-4 320 084	Cash available from operations
		-0	-	
Addition to fixed assets	6	-27 240 460	-66 749 727	Addition to fixed assets
Cash contributions from the public and State		27 240 460	66 749 727	Cash contributions from the public and State
		-	-352 374	
CASH UTILIZED IN INVESTING ACTIVITIES		-	-352 374	CASH UTILIZED IN INVESTING ACTIVITIES
Nett proceeds from disposal of assets		-	-	Nett proceeds from disposal of assets
Transferred		-	-	Transferred
		16 490 913	-4 672 458	
CASH EFFECTS OF FINANCING ACTIVITIES:				CASH EFFECTS OF FINANCING ACTIVITIES:
Increase/(Decrease) in Long-term Loans	20	-1 446 281	-1 281 223	Increase/(Decrease) in Long-term Loans
Increase/(Decrease) in Short term Loans	21	-	-	Increase/(Decrease) in Short term Loans
(Increase)/Decrease in Cash Investments	22	-20 219 281	15 568 418	(Increase)/Decrease in Cash Investments
(Increase)/Decrease in Cash	23	5 174 648	-9 614 736	(Increase)/Decrease in Cash
		-16 490 913	4 672 458	
Net cash (generated)/utilized				Net cash (generated)/utilized

MKHONDO MUNICIPALITY

ACCOUNTING POLICY

1. Basis of presentation

- 1.1** These financial statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Treasurers and Accountants in its Code of Practice for Local Government Accounting (1992) and Report on the Standardisation of Financial Statements of Local Authorities (4th Edition, as amended).
- 1.2** The financial statements are prepared on the historical cost basis.
- 1.3** The financial statements are prepared on the accrual basis :
- income is accrued when collectable and measurable; certain direct income is accrued when received, such as traffic fines and certain licences;
 - expenditure is accrued in the year it is incurred.

2. Consolidation

The balance sheet includes rate and general services, housing service, electricity trading service and the different funds and provisions.

3. Fixed Assets

- 3.1** Land and buildings are stated at cost.
- 3.2** Other fixed assets are stated at historical cost while they are in existence and fit for use.
- 3.3** Net proceeds from the sale of assets are credited to the capital replacement reserve fund.
- 3.4** Fixed assets are financed from different sources,, operating income, public contributions .

4. Stock

Stock, which comprises consumable stores is stated at the lower of cost ,determined at average cost which approximates the first in first out basis,and net realisable value.

5. Accumulated funds

5.1 Loans redemption fund

The redemption of fixed loans are provided for by the annual contributions made to the loan redemption funds calculated on the estimated lives of assets acquired subject to a maximum of 30 years.

6 Investments

Investments are stated in the financial statements at current value(shares) . Investments are being done in accordance with the policy of the council

7 Leased assets

Lease finance charges are allocated to accounting periods over the duration of the leases, by the effective interest rate method, which reflects the extent and cost of lease finance utilised in each accounting period.

All other leases are treated as operating leases and the relevant rentals are charged to the operating account in a systematic manner related to the period of use of the assets concerned.

8 Provisions

Provision is made for all known liabilities or expected losses which exist at the balance sheet date and which cannot be determined with accuracy. Provisions are charged to the respective services taking into account past expenditure and future probable expenditure such as staff leave pay which is based on leave due at year end and salaries ruling at the time.

9 Income recognition

9.1 Water and electricity meters are read and billed monthly in the case of conventional users.

9.2 Assessment rates are based on the differential site rating system. In terms of this system rates are levied on the values of property and rebates are granted according to the use to which a property is put. Rebates were granted to the owners of land with a building used solely as a dwelling.

MKHONDO MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

	<u>2006/2007</u> R	<u>2007/2008</u> R	
1. STATUTORY FUNDS			1. STATUTORY FUNDS
Capital Development Fund	-	-	Capital Development Fund
Loan Redemption Fund	2 374 188	2 374 188	Loan Redemption Fund
Land Trust Fund	-	-	Land Trust Fund
Land Development Suspece	-	-	Land Development Suspece
Capital Replacement Reserve	24 055 538	7 165 891	Capital Replacement Reserve
Insurance Fund	847 510	847 510	Insurance Fund
(Refer to Appendix A for more detail)	R 27 277 236	R 10 387 590	(Refer to Appendix A for more detail)
2. RESERVES			2. RESERVES
Unspent conditional grants	23 488 323	29 480 633	Unspent conditional grants
(Refer to Appendix A for more detail)	R 23 488 323	R 29 480 633	(Refer to Appendix A for more detail)
-			-
3. TRUST FUNDS			3. TRUST FUNDS
Housing	2 276 657	2 276 657	Housing
Bursary Loans-Employees	88 206	88 206	Bursary Loans-Employees
Bursary Loans-Students	147 070	147 070	Bursary Loans-Students
Legacy-Robberts	-	-	Legacy-Robberts
Donation-Youth Club	-	-	Donation-Youth Club
(Refer to Appendix A for more detail)	R 2 511 933	R 2 511 933	(Refer to Appendix A for more detail)

MKHONDO MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

	<u>2006/2007</u>	<u>2007/2008</u>	
	R	R	
4 LONG TERM LIABILITIES			4 LONG TERM LIABILITIES
Local Registered Stock	2 000 000	2 000 000	Local Registered Stock
Annuity Loans	11 728 365	10 447 141	Annuity Loans
Long Term Secured Loans	-	-	Long Term Secured Loans
	13 728 365	12 447 141	
<i>Less:</i> Short term portion transferred to current liabilities	1 540 000	1 116 185	<i>Less:</i> Short term portion transferred to current liabilities
	R 12 188 365	R 11 330 956	
For more information se Appendix B.			For more information se Appendix B.
5 CONSUMER DEPOSITS:			5 CONSUMER DEPOSITS:
Consumer Services	2 502 243	2 486 720.34	Consumer Services
	R 2 502 243	R 2 486 720	
Guarantees in respect of electricity- and water deposits amounted to R			Guarantees in respect of electricity- and water deposits amounted to R

MKHONDO MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

<p>6 FIXED ASSETS</p> <p>Fixed assets at the beginning of the year</p> <p>Fixed assets purchased or received during the year</p> <p><i>Less:</i> Assets written off, transferred or disposed of during the year</p> <p>Total Fixed Assets</p> <p>Work in progress</p> <p>Township Development</p> <p><i>Less:</i> Deferred Charges</p> <p><i>Less:</i> Loans redeemend and other capital receipts</p> <p>Net fixed assets</p> <p>Deferred Charges</p> <p>(Refer to Appendix C and paragraph 3 of the report of the Treasurer Report for more detail)</p> <p>7 INVESTMENTS</p> <p>Unlisted investments against management's valuation:</p> <p>Long-term</p> <p>Short term</p> <p>Retention</p> <p>Total Investments</p> <p>Average interest received on investments were %</p> <p>Management Valuation</p> <p>Investments are made in accordance with the Investment policy</p> <p>No investment was pledged as security against overdraft facilities.</p>	<p>191 783 614</p> <p>27 240 460</p> <p>-</p> <p>219 024 074</p> <p>-</p> <p>219 024 074</p> <p>-</p> <p>-205 295 710</p> <p>R 13 728 364</p> <p>-</p> <p>25 277 512.78</p> <p>42 267 502.76</p> <p>-</p> <p>R 67 545 016</p> <p>7.66%</p> <p>R 67 545 016</p>	<p>219 024 074</p> <p>66 749 727</p> <p>-352 374</p> <p>285 421 427</p> <p>-</p> <p>285 421 427</p> <p>-</p> <p>-272 974 286</p> <p>R 12 447 140</p> <p>-</p> <p>20 629 946.29</p> <p>31 346 651.58</p> <p>-</p> <p>R 51 976 598</p> <p>8.00%</p> <p>R 51 976 598</p>	<p>6 FIXED ASSETS</p> <p>Fixed assets at the beginning of the year</p> <p>Fixed assets purchased or received during the year</p> <p><i>Less:</i> Assets written off, transferred or disposed of during the year</p> <p>Total Fixed Assets</p> <p>Work in progress</p> <p>Township Development</p> <p><i>Less:</i> Deferred Charges</p> <p><i>Less:</i> Loans redeemend and other capital receipts</p> <p>Net fixed assets</p> <p>Deferred Charges</p> <p>(Refer to Appendix C and paragraph 3 of the report of the Treasurer Report for more detail)</p> <p>7 INVESTMENTS</p> <p>Unlisted investments against management's valuation:</p> <p>Long-term</p> <p>Short term</p> <p>Retention</p> <p>Total Investments</p> <p>Average interest received on investments were %</p> <p>Management Valuation</p> <p>Investments are made in accordance with the Investment policy</p> <p>No investment was pledged as security against overdraft facilities.</p>
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MKHONDO MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

13 ASSESSMENT RATES

Residential
Commercial
State
State - Residential
Agricultural
Municipal

Site valuation as at 1 July 2008 R'000	Actual Income - 2006/7 R	Actual Income - 2007/2008 R
-	-	p
-	-	p
-	-	p
-	-	-
-	-	-
-	-	p
-	10 924 880	12 163 755

The valuation of land are performed every five years
and the last general valuation took effect on 01/07/2000

A discount of 20% was granted to the State.

14 COUNCILLORS' REMUNERATION

Mayor
Speaker
Executive committee members
Councillors
Medical Aid
Pension Fund Contributions iro councillors

Remuneration is within the limits -Section 219 of Constitution

Salaries and benefits were paid within the upper limits of the framework envisaged in section 219 of the Constitution

15 AUDITORS' REMUNERATION

Over/(Under) Budget
Budget
Actual

2006/2007 R	2007/2008 R
473 994	488 795
337 046	391 176
1 320 025	1 339 417
3 474 225	3 416 673
27 233	20 037
533 448	603 276
6 165 971	6 259 374
-	-
336 100	352 289
n/a	n/a

13 ASSESSMENT RATES

Residential
Commercial
State
State - Residential
Agricultural
Municipal

The valuation of land are performed every five years
and the last general valuation took effect on 01/07/2000.

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15 AUDITORS' REMUNERATION

Over/(Under) Budget
Budget
Actual

MKHONDO MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

	2006/2007 R	2007/2008 R	
16. FINANCE TRANSACTIONS			16. FINANCE TRANSACTIONS
Total external interest earned or paid:			Total external interest earned or paid:
Interest earned	5 175 227	4 642 593	Interest earned
Interest paid	1 360 323	2 034 308	Interest paid
Capital charges debited to operating account:			Capital charges debited to operating account:
Interest:	1 360 323	2 034 308	Interest:
External	1 360 323	2 034 308	External
Internal	-	-	Internal
Redemption:	1 446 281	1 281 223	Redemption:
External	1 446 281	1 281 223	External
Internal	-	-	Internal
Loan Redemption Fund	-	-	Loan Redemption Fund
Additional redemption provided out of unappropriated surplus	-	-	Additional redemption provided out of unappropriated surplus
Redemption against Loan Redemption Fund	-	-	Redemption against Loan Redemption Fund
	R 2 806 603	R 3 315 531	
17. APPROPRIATIONS			17. APPROPRIATIONS
Appropriation account			Appropriation account
Retained surplus at the beginning of the year	48 979 743	15 595 497	Retained surplus at the beginning of the year
Operating surplus/(deficit) for the year	12 765 711	9 435 947	Operating surplus/(deficit) for the year
<u>Appropriations for the year:</u>	-46 149 957	-11 119 280	<u>Appropriations for the year:</u>
Bad debt	-38 126 000	-	Bad debt
Appropriations	-8 023 957	-	Appropriations
Retained surplus/(accumulated deficit) at the end of the year	-	-	Retained surplus/(accumulated deficit) at the end of the year
	R 15 595 497	R 13 912 164	
Operating account			Operating account
Capital expenditure	-	-	Capital expenditure
<i>Contributions to:</i>			<i>Contributions to:</i>
Capital Development Fund	-	-	Renewal funds
Other	1 076 137	3 386 417	Other
	R 1 076 137	R 3 386 417	

MKHONDO MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

	2006/2007 R	2007/2008 R	
18. CASH GENERATED BY OPERATIONS			18. CASH GENERATED BY OPERATIONS
(Deficit)/Surplus for the year	12 765 711	9 435 947	(Deficit)/Surplus for the year
Adjustments in respect of previous years' operating transactions	-46 149 957	-11 119 280	Adjustments in respect of previous years' operating transactions
Appropriations charged against income:	38 652 137	3 386 417	Appropriations charged against income:
* Capital Development Fund	-	-	* Capital Development Fund
* Other	38 652 137	3 386 417	* Other
* Capital	-	-	* Capital
Capital Charges:			Capital Charges:
* Interest paid:			* Interest paid:
- to internal funds	-	-	- to internal funds
- to external loans	1 360 323	2 034 308	- to external loans
* Redemption:			* Redemption:
- of internal advances	-	-	- of internal advances
- of external loans	1 446 281	1 281 223	- of external loans
* Loan redemption fund contribution	-	-	* Loan redemption fund contribution
Investment Income (Operating account)	-5 175 227	-4 642 593	Investment Income (Operating account)
Other non-operating income	-	352 374	Other non-operating income
Non-operating income:			Non-operating income:
* Net income from Provisions and reserves	31 725 638	55 955 171	* Net income from Provisions and reserves
Non-operating expenditure:			Non-operating expenditure:
* Expenditure charged against Provisions and Reserves	-19 220 806	-68 849 704	* Expenditure charged against Provisions and Reserves
	R 15 404 100	R -12 166 136	
19. (INCREASE)/DECREASE IN WORKING CAPITAL			19. (INCREASE)/DECREASE IN WORKING CAPITAL
(Increase)/Decrease in Stock	-312 327	-1 161 235	(Increase)/Decrease in Stock
(Increase)/Decrease in Debtors	2 699 923	7 317 358	(Increase)/Decrease in Debtors
Increase/(Decrease) in Creditors	-4 582 656	-902 832	Increase/(Decrease) in Creditors
	R -2 195 060	R 5 253 291	
20. INCREASE/(DECREASE) IN LONG-TERM LOANS (EXTERNAL)			20. INCREASE/(DECREASE) IN LONG-TERM LOANS (EXTERNAL)
Loans raised / transferred	-	-	Loans raised / transferred
Loans repaid	-1 446 281	-1 281 223	Loans repaid
	R -1 446 281	R -1 281 223	

MKHONDO MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

	2006/2007 R	2007/2008 R	
21. INCREASE/(DECREASE) IN SHORT TERM LOANS (EXTERNAL)			21. INCREASE/(DECREASE) IN SHORT TERM LOANS (EXTERNAL)
Loans raised	-	-	Loans raised
Loans repaid	-	-	Loans repaid
	-	-	
22. (INCREASE)/DECREASE IN EXTERNAL CASH INVESTMENTS			22. (INCREASE)/DECREASE IN EXTERNAL CASH INVESTMENTS
Investments made	38 406 254	-	Investments made
Investments realised	18 186 973	15 568 418	Investments realised
	R -20 219 281	R 15 568 418	
23. (INCREASE)/DECREASE IN CASH ON HAND			23. (INCREASE)/DECREASE IN CASH ON HAND
Cash balance at the beginning of the year	1 785 943	-3 394 705	Cash balance at the beginning of the year
Increase in petty cash	6 000	-	Increase in petty cash
Less: Cash balance at the end of the year	-3 394 705	6 220 031	Less: Cash balance at the end of the year
	R 5 174 648	R -9 614 736	
Petty Cash	13 940	13 940	Petty Cash
24. CAPITAL DEVELOPMENT FUND			24. CAPITAL DEVELOPMENT FUND
Outstanding advances to borrowing services:			Outstanding advances to borrowing services:
Accumulated fund	-	-	Accumulated fund
Less: External investment	-	-	Less: External investment
	R -	R -	

MKHONDO MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

	2006/2007 R	2007/2008 R	
25 CONTINGENT LIABILITIES			25 CONTINGENT LIABILITIES
1 <u>DISPUTES ON UNFAIR DISMISSALS</u>	150 000	0	1 <u>DISPUTES ON UNFAIR DISMISSALS</u>
2 <u>N JORDAAN</u>	60 000	200 000	2 <u>L BOTHA</u>
CIVIL CASE AGAINST P NEL SWORE AT A			CCMA CASE AGAINST MUNISIPALITY
MEMBER OF PUBLIC ON DUTY AS TRAFFIC			INCREASE NOT IMPLIMENTED
OFFICER	-		
3 <u>P P NKAMBULE</u>	-		
ACCIDENT BY MR MAMBANE (traffic)	21 692	-	
	231 692	200 000	
26 CAPITAL COMMITMENTS			26 CAPITAL COMMITMENTS
<i>Liability shown under creditors on the balance sheet</i>			<i>Liability shown under creditors on the balance sheet</i>
Commitments in respect of capital expenditure			Commitments in respect of capital expenditure
- Approved and contracted for	-	-	- Approved and contracted for
- Approved but not contracted for	-	-	- Approved but not contracted for
Finance			Finance
- Internal sources	-	-	- Internal sources
- External sources	-	-	- External sources
- External sources	-	-	- External sources
- Provincial Government	-	-	- Provincial Government
- District Council	-	-	- District Council
	-	-	

MKHONDO MUNICIPALITY			
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008			
DISCLOSURES IN TERMS OF THE M.F.M.A.			
	2006/2007 R	2007/2008 R	
27 SECTION 123			27 SECTION 123
1(a) <u>Allocations Received From National Treasury</u>			1(a) <u>Allocations Received From National Treasury</u>
Finance Management Grant	500 000	500 000	Finance Management Grant
Municipal Systems Infrastructure Grant	734 000	734 000	Municipal Systems Infrastructure Grant
1(b) <u>Allocations made By Municipality</u>			1(b) <u>Allocations made By Municipality</u>
None	None	None	None
1(c) <u>Expenditure On Allocations Received(F.M.G.)</u>			1(c) <u>Expenditure On Allocations Received(F.M.G.)</u>
Furniture	11 957	50 290	Furniture
Computer Equipment And Upgrading	49 930	491 429	Computer Equipment And Upgrading
Asset Management System	6 000	73 597	Asset Management System
1(c) <u>Expenditure On Allocations Received(M.S.I.G.)</u>			1(c) <u>Expenditure On Allocations Received(M.S.I.G.)</u>
Upgrade munsoft classic	667 676	421 549	Upgrade prepaid system & backup system
1(c) <u>Expenditure On Allocations Received</u>			1(c) <u>Expenditure On Allocations Received</u>
Council General	923 689	367 003	Council General
Finance	654 028	1 228 026	Finance
Roads and Streetworks	2 846 425	23 190 182	Roads and Streetworks
Fire Brigade Services	726 921	1 283 711	Fire Brigade Services
Public Buildings	878 305	3 921 422	Public Buildings
Afforestation	2 436 737	9 910	Afforestation
Cleaning and Sewerage	4 243 730	6 432 117	Cleaning and Sewerage
Electricity	3 268 705	3 490 874	Electricity
Rural Areas	11 261 920	26 331 337	Rural Areas
	27 976 023	67 291 446	
1(d) <u>Compliance With Conditions - Section 214(1)© Of The Constitution And Other Allocations</u>	yes	yes	1(d) <u>Compliance With Conditions - Section 214(1)© Of The Constitution And Other Allocations</u>
1(f) <u>Funds Delayed Or Withheld-D.O.R.A.</u>	nul	nul	1(f) <u>Funds Delayed Or Withheld-D.O.R.A.</u>
28 SECTION 124			28 SECTION 124
1(a) <u>Councillors Remuneration</u>	see note 14	see note 14	1(a) <u>Councillors Remuneration</u>
1(b) <u>Arrears Owed By Individual Councillors & Officials</u>			1(b) <u>Arrears Owed By Individual Councillors & Officials</u>
		138.27	1 SJ METHULA
		336.91	2 J SNYMAN
		454.53	3 BH MTSHALI
		491.54	4 EP MALINGA
		703.24	5 M O NKOSI
		1 074.54	6 R SINGH
		1 463.96	7 RJA WILSON
		1 525.32	8 JR SIBIYA
		3 138.90	9 NC NDLOVU
		4 165.56	10 JK MSIBI
		13 492.77	
29			29 SALARIES
1(c) SALARIES			2.3.1 Municipal Manager
2.3.1 Municipal Manager	580 000	617 700	2.3.2 Chief Financial Officer
2.3.2 Chief Financial Officer	480 000	511 200	2.3.3 Director Corporate Services
2.3.3 Director Corporate Services	460 000	500 550	2.3.4 Director Engineering Services
2.3.4 Director Engineering Services	460 000	-	2.3.5 Director Public Safety
2.3.5 Director Public Safety	423 980	479 250	2.3.6 Director Forestry and Parks
2.3.6 Director Forestry and Parks	460 000	489 900	2.3.7 Deputy Director Income
2.3.7 Deputy Director Income	329 534	350 723	2.3.8 Deputy Director Expenditure
2.3.8 Deputy Director Expenditure	329 534	350 723	2.3.9 Deputy Director Technical Services
2.3.9 Deputy Director Technical Services	329 534	350 723	2.3.10 Deputy Director Public Safety
2.3.10 Deputy Director Public Safety	329 534	-	2.3.11 Deputy Director Internal Audit
2.3.11 Deputy Director Internal Audit	329 534	350 723	2.3.12 Deputy Director Corporate Services(Human Resources)
2.3.12 Deputy Director Corporate Services(Human Resources)	-	350 723	2.3.13 Deputy Director Corporate Services(Legals)
2.3.13 Deputy Director Corporate Services(Legals)	-	350 723	2.3.14 Deputy Director IT Services
2.3.14 Deputy Director IT Services	-	350 723	2.3.15 Deputy Director LED
2.3.15 Deputy Director LED	-	329 534	
30 SECTION 125			30 SECTION 125
1(a) <u>Municipal Entities</u>	None	None	1(a) <u>Municipal Entities</u>
1(b) <u>Contributions To Organised Local Government</u>	None	None	1(b) <u>Contributions To Organised Local Government</u>
1(c) <u>Audit Fees Paid</u>	See note 15	See note 15	1(c) <u>Audit Fees Paid</u>
1(c) <u>Taxes Paid</u>	3 298 476	5 031 399	1(c) <u>Taxes Paid</u>
1(c) <u>Pension Fund Contributions</u>	4 807 204	5 119 672	1(c) <u>Pension Fund Contributions</u>
1(c) <u>Medical Aid Contributions</u>			1(c) <u>Medical Aid Contributions</u>
Employees	987 760	1 051 964	Employees
Pensioners		-	Pensioners
			There were no arrear contributions
	<u>Opening</u>	<u>Closing</u>	
2(a) <u>Bank Accounts- First National Bank</u>	<u>Balance</u>	<u>Balance</u>	2(a) <u>Bank Accounts- First National Bank</u>
Primary	9 473 839	10 754 542	Primary
Call Account-Collateral	316 806	341 594	Call Account-Collateral
Call Account	24 850 077	30 999 558	Call Account
2(b) <u>Investments</u>	See Note 7	See Note 7	2(b) <u>Investments</u>
2(c) <u>Contingent Liabilities</u>	See Note 25	See Note 25	2(c) <u>Contingent Liabilities</u>
2(d)(i) <u>Material Losses Irregular/Fruitless and Wasteful Expenditure</u>			2(d)(i) <u>Material Losses Irregular/Fruitless and Wasteful Expenditure</u>
2(d)(ii) <u>Criminal or Disciplinary Steps</u>		nul	2(d)(ii) <u>Criminal or Disciplinary Steps</u>
2(d)(iii) <u>Losses Recovered/Written Off</u>		nul	2(d)(iii) <u>Losses Recovered/Written Off</u>
2(e) <u>Non-Compliance with M.F.M.A</u>			2(e) <u>Non-Compliance with M.F.M.A</u>
2(F) <u>Other Matters</u>			2(F) <u>Other Matters</u>

DEBITEUR/KREDITEURE SAMESTELLING 2007/2008

pos	beskryf	GROOTBOEK 30/06/2007		WERKSREK 2007/2008		SALDO 30/06/2008	
		DT	KT	DT	KT	DT	KT
		-	-	-	-		-
				-			
	p/b debiteure vooruitbetaal		953 339.48	-	134 819.71		1 088 159.19
				-			
920706600	verbruikers dep		2 502 243.34	193 880.00	178 357.00		2 486 720.34
	ander dep		-	-	-		-
918705425	Petrol	5 000.00				5 000.00	-
918705426	Eskom	59 122.81	-	-	-	59 122.81	-
		64 122.81				64 122.81	
949708110	Housing-stand sale	1 755 928.26		-	1 721 392.30	34 535.96	
949708090	Rente	1 627 949.09		-	1 625 338.83	2 610.26	
920	Debiteure	1 566.07		-	1 566.07	-	
				-		-	
		3 385 443.42				37 146.22	
944	Prof/GSDM	2 884 626.39			2 884 626.39	-	
	ander dep						
920	Biblioteek				-		-
920	Stadsaal		10 867.00	10 867.00	-		-
							-
			10 867.00				-
	VAT						
	vat	29 203.14		-	29 203.14	-	
	vat-retiefville		2 198.28	2 198.28	-	-	-
	vat-Kempville		4 116.00	4 116.00	-	-	-
	vat-sundry debtors	2 054.28		-	2 054.28	-	
948707740	vat-control		2 401 207.41	-	708 786.21		3 109 993.62
	vat-Suspense		13 853.26	13 853.26	-		-
948707800	vat-Input	1 069 695.53		2 556 832.75		3 626 528.28	
	vat-Uitg vry		138 913.87	138 913.87	-		-
	vat-Output		1 603 317.95		1 283 672.24		2 886 990.19

note 12

note 5

note 10

note 10

note 10

note 10

	Mayor award						
		1 100 952.95	4 163 606.77			3 626 528.28	5 996 983.81
			3 062 653.82				2 370 455.53
	<u>Afwag rekeninge</u>						
949708270	Onbekende depositos		126 585.84		171 630.11		298 215.95
	Fire services	34 882.94			34 882.94	-	
	Housing	1 161.89			1 161.89	-	
		36 044.83	126 585.84			-	298 215.95
949708140	Sundry debtors	550 912.36	-	-	626 520.04		75 607.68
	Beurslenings	11 649.48			11 649.48	-	
949708272	erf vooruit betaal				10 365.00		10 365.00
		562 561.84	-			-	85 972.68
			562 561.84				
						-	
	Mayoral award		304 742.94	304 742.94			-
	Kemp-skema 3 verkoop		393 950.00	393 950.00	-		-
948601000	Kemp-skema 3 rente		211 217.83	-	58 912.08		270 129.91
		-	909 910.77			-	270 129.91
948	S/D Levy redemption	2 359 599.43			2 359 599.43	-	
		2 359 599.43	-			-	-
		-	-			-	

note12

note 12

notre 10

note 12

MKHONDO MUNICIPALITY

APPENDIX A

ACCUMULATED FUNDS, TRUST FUNDS, RESERVES AND PROVISIONS

	BALANCE AT 01/07/2007 R	CONTRIBUTIONS DURING THE YEAR R	INTEREST ON INVESTMENTS R	OTHER INCOME R	EXPENDITURE DURING THE YEAR R	BALANCE AT 30/06/2008 R	
AUTHORISED FUNDS							AUTHORISED FUNDS
Capital Development Fund	-	-	-	-	-	-	Capital Development Fund
Loan Redemption Fund	2 374 188	-	-	-	-	2 374 188	Loan Redemption Fund
Land Trust Fund	-	-	-	-	-	-	Land Trust Fund
Capital Replacement Reserve	24 055 538	-	-	187 177	17 076 823	7 165 891	Capital Replacement Reserve
Land Development Suspece	-	-	-	-	-	-	Land Development Suspece
Insurance Fund	847 510	-	-	-	-	847 510	Insurance Fund
	27 277 236	-	-	187 177	17 076 823	10 387 590	
RESERVES							RESERVES
GSDM Grants	-			17 991 378	17 991 378	-	GSDM Grants
Unspent conditional grants	23 488 323			37 673 836	31 681 527	29 480 633	Unspent conditional grants
	23 488 323	-	-	55 665 214	49 672 905	29 480 633	
TRUST FUNDS							TRUST FUNDS
Housing	2 276 657	-	-	-	-	2 276 657	Housing
Bursary Loans-Employees	88 206	-	-	-	-	88 206	Bursary Loans-Employees
Bursary Loans-Students	147 070	-	-	-	-	147 070	Bursary Loans-Students
Legacy-Robberts	-	-	-	-	-	-	Legacy-Robberts
Donation-Youth Club	-	-	-	-	-	-	Donation-Youth Club
	2 511 933	-	-	-	-	2 511 933	
PROVISIONS							PROVISIONS
Leave Owed	2 940 603	-	-	-	90 209	2 850 394	Leave Owed
	2 940 603	-	-	-	90 209	2 850 394	
TOTALS	56 218 096	-	-	55 852 391	66 839 937	45 230 550	
Refer notes 1,2 and 3							
PROVISIONS I R O DEBTORS							
Bad Debt Provision	49 019 080	3 386 417	-	102 780	2 009 767	50 498 510	Bad Debt Provision
	49 019 080	3 386 417	-	102 780	2 009 767	50 498 510	
Refer note 10						-	Refer note 10

MKHONDO MUNICIPALITY						
ANALYSIS OF FIXED ASSETS						
APPENDIX C						
Expenditure 2006/2007 R	Service	Budget 2007/2008 R	Balance at 01/07/2007 R	Expenditure 2007/2008 R	Written off, transferred, redeemed or disposed of during the year R	Balance at 30/06/2008 R
12 709 835	RATES AND GENERAL SERVICES	18 821 005	93 335 327	66 749 727	352 374	115 649 875
4 424 142	COMMUNITY SERVICES	16 013 000	45 618 348	14 351 191	122 647	59 846 893
-	Civil Defence	-	4 846 482	-	-	4 846 482
923 689	Council General	-	2 084 215	367 003	115 447	2 335 771
654 028	Finance	850 000	3 976 279	1 228 026	-	5 204 306
-	Health Services	-	627 052	9 229	-	636 281
-	Corporate service	13 000	377 458	12 856	-	390 314
-	Kempville	-	1 001 446	-	-	1 001 446
-	Retiefville	-	310 848	-	-	310 848
-	Community Service	-	-	-	-	-
-	Municipal buildings	6 150 000	8 699 968	3 921 422	-	12 621 390
-	Municipal Manager	-	-	-	-	-
-	Registration and Licensensing	-	-	-	-	-
2 846 425	Roads and Streetworks	9 000 000	23 694 600	8 812 655	7 200	32 500 055
-	Licensing	-	-	-	-	-
-	Traffic	-	-	-	-	-
-		-	-	-	-	-
1 605 226	SUBSIDISED SERVICES	2 077 900	3 953 453	1 873 705	197 757	5 629 400
-	Cemetery	-	284 856	-	-	284 856
726 921	Fire Brigade Services	1 474 900	726 921	1 283 711	197 757	1 812 874
-	Library	3 000	87 127	2 632	-	89 759
-	Parks Administration	600 000	1 976 244	587 363	-	2 563 607
878 305	Public Buildings	-	878 305	-	-	878 305
-		-	-	-	-	-
6 680 467	ECONOMIC SERVICES	730 105	43 763 526	6 442 027	31 970	50 173 582
2 436 737	Afforestation	10 000	4 456 248	9 910	-	4 466 158
-	Caravan Park	-	31 970	-	31 970	-0
4 243 730	Cleaning and Sewerage	720 105	26 568 158	6 432 117	-	33 000 275
-	Estates	-	12 707 150	-	-	12 707 150
-		-	-	-	-	-
-	HOUSING SERVICES	-	267 299	-	-	267 299
-	Economic Housing	-	191 074	-	-	191 074
-	Sub-Economic Schemes	-	76 225	-	-	76 225
-		-	-	-	-	-
3 268 705	TRADING SERVICES	21 600 595	92 862 437	17 751 467	-	110 613 904
3 268 705	Electricity	7 340 000	54 599 758	3 490 874	-	58 090 632
-	Water	14 260 595	38 262 679	14 260 593	-	52 523 272
-	sub-total	40 421 600	186 465 062	40 418 390	352 374	226 531 078
-		-	-	-	-	-
11 261 920	OTHER	26 331 337	32 559 012	26 331 337	-	58 890 349
-	Rural Areas	26 331 337	32 559 012	26 331 337	-	58 890 349
11 261 920		-	-	-	-	-
-		-	-	-	-	-
-		-	-	-	-	-
R 27 240 460	TOTAL FIXED ASSETS	66 752 937	219 024 074	66 749 727	352 374	285 421 428
-	LESS: LOANS REDEEMED AND OTHER CAPITAL RECEIPTS		205 295 710	68 030 950	352 374	272 974 286
-	Loans redeemed and advances repaid		33 248 853	1 281 223	-	34 530 077
-	Contributions ex Operating Income		10 582 595	-	352 374	10 230 221
-	Reserves		143 920	-	-	143 920
-	Grants		132 167 388	66 749 727	-	198 917 115
-	Public		13 320 413	-	-	13 320 413
-	Land Trust		2 153 720	-	-	2 153 720
-	Revaluation Capital		11 910 607	-	-	11 910 607
-	Land Development Suspense		1 768 214	-	-	1 768 214
-			-	-	-	-
R 27 240 460.00	NET FIXED ASSETS		13 728 364	-1 281 223	-	12 447 141

MKHONDO MUNICIPALITY				
ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2008				APPENDIX D
	2006/2007 Actual R	2007/2008 Budget R	2007/2008 Actual R	
INCOME				INCOME
Grants and subsidies:	32 853 367	35 851 269	36 923 109	Grants and subsidies:
- National Government	31 774 447	35 851 269	36 923 109	- National Government
- Provincial Government	-	-	-	- Provincial Government
- District Municipality	-	-	-	- District Municipality
- Other	1 078 920	-	-	- Other
Operating Income:	73 062 893	84 200 490	77 993 812	Operating Income:
- Assessment Rates	10 924 880	12 008 346	12 163 755	- Assessment Rates
- Sale of electricity	30 684 238	36 262 309	28 574 031	- Sale of electricity
- Sale of water	6 181 079	7 157 683	5 141 990	- Sale of water
- Interest	5 175 227	1 648 850	4 642 593	- Interest
- Afforestation	9 415 625	13 109 049	13 223 487	- Afforestation
- Other services and levies	10 681 845	14 014 253	14 247 957	- Other services and levies
TOTAL	105 916 261	120 051 759	114 916 921	
EXPENDITURE				EXPENDITURE
Salaries, Wages and Allowances	44 232 500	50 278 671	46 976 982	Salaries, Wages and Allowances
General Expenses:	39 764 453	47 776 845	46 526 264	General Expenses:
- Buying of electricity	16 025 550	19 056 836	18 795 585	- Buying of electricity
- Buying of water	83 063	535 070	6 618	- Buying of water
- Other general expenses	23 655 839	28 184 939	27 724 060	- Other general expenses
Repairs and Maintenance	5 796 995	8 808 306	5 899 395	Repairs and Maintenance
Capital Charges	2 806 603	3 005 010	2 691 917	Capital Charges
Contributions to fixed assets	-	-	-	Contributions to fixed assets
Contributions	550 000	3 490 300	3 386 417	Contributions
Gross Expenditure	93 150 551	113 359 132	105 480 974	Gross Expenditure
<i>Less:</i> Amounts charged out	-	-	-	<i>Less:</i> Amounts charged out
Net Expenditure	93 150 551	113 359 132	105 480 974	Net Expenditure
Surplus/(Deficit)	12 765 710	6 692 627	9 435 947	Surplus/(Deficit)

MKHONDO MUNICIPALITY
DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008
APPENDIX E

2006/2007 Actual Income R	2006/2007 Actual Expenditure R	2006/2007 Surplus/ (Deficit) R		2007/2008 Actual Income R	2007/2008 Actual Expenditure R	2007/2008 Surplus/ (Deficit) R	2007/2008 Budget Surplus/ (Deficit) R	
			RATES AND GENERAL SERVICES					RATES AND GENERAL SERVICES
72 706 816	62 720 903	9 985 913		81 200 900	72 808 395	8 392 505	-1 004 137	
58 489 622	47 689 511	10 800 111	COMMUNITY SERVICES	62 593 385	54 925 293	7 668 092	2 977 841	COMMUNITY SERVICES
10 924 880	155 808	10 769 072	Assessment Rates	12 163 755	1 483 318	10 680 437	9 848 026	Assessment Rates
72 485	11 540 599	-11 468 114	Roads and Streetworks	29 938	13 314 469	-13 284 531	-11 376 011	Roads and Streetworks
43 090	1 008	42 082	Fix Property	1 559	99 490	-97 930	-142 293	Fix Property
502	9 837 451	-9 836 949	Council General	286 043	12 627 404	-12 341 360	-11 919 466	Council General
2 710	4 866 404	-4 863 694	Corporate Services	18 637	6 071 179	-6 052 541	-6 375 102	Corporate Services
3 916 495	4 657 291	-740 796	Refuse Removal	4 630 860	4 403 854	227 006	-89 052	Refuse Removal
-	1 056 318	-1 056 318	Health Services	-	865 903	-865 903	-1 169 136	Health Services
-	1 192 752	-1 192 752	Municipal Manager	-	1 553 101	-1 553 101	-1 549 362	Municipal Manager
3 433 455	787 314	2 646 141	Licencing	3 595 404	991 281	2 604 123	-110 079	Licencing
38 736 098	8 965 633	29 770 465	Financial Services	40 570 883	9 172 721	31 398 162	28 359 436	Financial Services
117 701	29 094	88 607	Town Engineer	186 251	294 000	-107 748	-69 673	Town Engineer
1 242 206	4 599 839	-3 357 633	Traffic	1 110 054	4 048 574	-2 938 520	-2 429 447	Traffic
907 804	5 230 089	-4 322 285	SUBSIDISED SERVICES	1 272 319	6 548 851	-5 276 533	-6 308 680	SUBSIDISED SERVICES
80 979	1 594 552	-1 513 573	Municipal Buildings	52 129	1 755 777	-1 703 648	-1 943 942	Administrative Offices
452 000	261 694	190 306	Clinic	-	527 532	-527 532	-624 630	Clinic
169 503	419 809	-250 306	Cemetery	187 661	412 894	-225 233	-268 701	Cemetery
8 419	493 124	-484 705	Library	16 180	672 425	-656 246	-676 807	Library
40 190	190 381	-150 182	Fire Brigade Services	13 215	901 725	-888 509	-1 116 710	Fire Brigade Services
31 969	115 547	-83 578	Hostels	464 972	114 627	-350 345	-68 789	Hostels
45 281	1 871 929	-1 826 648	Parks and Recreation	139 095	1 832 506	-1 693 411	-1 580 082	Parks and Recreation
79 454	18 611	60 843	Official Housing	347 715	30 084	316 631	89 805	Official Housing
-	264 442	-264 442	Stores		301 282	-46 433	-118 824	Stores
13 188 166	9 790 356	3 397 810	ECONOMIC SERVICES	17 270 001	11 331 016	5 938 985	2 262 259	ECONOMIC SERVICES
438 636	360 235	78 401	Nightsoil	475 251	304 149	171 101	-17 659	Cleansing
-	-	-	Estates					Estates
9 415 625	8 264 963	1 150 662	Afforestation	13 223 487	9 195 677	4 027 810	2 696 708	Afforestation
3 333 905	1 165 158	2 168 747	Sewerage	3 571 263	1 831 190	1 740 074	-416 790	Sewerage
121 224	10 947	110 277	HOUSING SERVICES	65 196	3 235	61 961	64 443	HOUSING SERVICES
121 224	-	-	Housing-Economic	-	-	-	-	Housing-Economic
	10 947	110 277	Housing-Sub Economic	65 196	3 235	61 961	64 443	Housing-Sub Economic
33 209 446	30 429 648	2 779 798	TRADING SERVICES	33 716 021	32 672 579	1 043 442	7 696 764	TRADING SERVICES
27 027 656	25 576 354	1 451 302	Electricity	28 574 031	27 680 115	893 916	7 480 370	Electricity
6 181 790	4 853 294	1 328 496	Water	5 141 990	4 992 464	149 525	216 394	Water
-	-	-	Less amount recharge			-	-	Less amount recharge
105 916 262	93 150 551	R 12 765 711	TOTAL	R 114 916 921	R 105 480 974	R 9 435 947	R 6 692 627	TOTAL
		-46 149 957	Appropriations for this year			-11 119 280		Appropriations for this year
		-33 384 246	(refer to note 17)			-1 683 333		(refer to note 17)
		48 979 743	Net surplus/(deficit) for the year			15 595 497		Net surplus/(deficit) for the year
			Retained surplus/(accumulated deficit) beginning of the year					Retained surplus/(accumulated deficit) beginning of the year
		R 15 595 497	Retained surplus/(accumulated deficit) end of the year			13 912 164		Retained surplus/(accumulated deficit) end of the year

MKHONDO MUNICIPALITY					
STATISTICAL INFORMATION					
WATER					
Number of users		19 538	19942		Number of users
Number of units bought					Number of units bought
Number of units sold					Number of units sold
Distribution losses					Distribution losses
Distribution losses-%					Distribution losses-%
Purchase price (R @kl)		0.00	0		Purchase price (R @kl)
Selling price (All users R @kl)		3.60	3.75		Selling price (All users R @kl)
OTHER STATISTICS					OTHER STATISTICS
Area km2		4 868	4 868		Area km2
Registered voters		42 000	42 000		Registered voters
Tarred roads-Km.		120	120		Tarred roads-Km.
Gravel Roads-KM		358	358		Gravel Roads-KM
Water Pipelines-Km.		140	140		Water Pipelines-Km.
Sewer Pipelines-Km		125	125		Sewer Pipelines-Km
Number of High Schools		35	35		Number of High Schools
Number of Primary Schools		48	48		Number of Primary Schools
Number of Churches		35	35		Number of Churches

MKHONDO MUNICIPALITY					
STATISTICAL INFORMATION				APPENDIX F	
GENERAL STATISTICS		2007	2008		GENERAL STATISTICS
Population		143 441	146309		Population
Number - Residential erven		5 586	5586		Number - Residential erven
Number - Commercial/Industrial erven		216	220		Number - Commercial/Industrial erven
Rates tariff (c/R)		0.180000	0.20000		Rates tariff (c/R)
Number of employees		434	423		Number of employees
ELECTRICAL STATISTICS					ELECTRICAL STATISTICS
Number of users		19 538	19942		Number of users
Number of units bought		84 710 622	104426166		Number of units bought
Number of units sold		80 451 399	101293381		Number of units sold
Distribution losses		4 259 223	3132784		Distribution losses
Distribution losses-%		4	3		Distribution losses-%
Purchase price R @kwh		0.17000	0.19000		Purchase price R @kwh
Selling price (Residential R @kwh)		0.40000	0.42000		Selling price (Residential R @kwh)
Selling price (Commercial R @kwh)		0.17000	0.21000		Selling price (Commercial R @kwh)

OPSOMMING 2007/2008			algene onkoste	herstel/onderhoud										
KOSTESENTRUM	POS	SAL	A/O	H/O	RENTE	DELG	WDEVERM.	KAP	FONDSE	TOT	ELDERS	NETTO	INK	S(T)
Begraafplaas	005	365 596.66	47 297.06	-	-	-	-	-	-	412 893.72	-	412 893.72	187 661.00	(225 232.72)
ON EACH VOTE THIS SECOND		365 860.00	85 301.00	-	-	-	-	-	-	451 161.00	-	451 161.00	182 460.00	(268 701.00)
LINE-BUDGET FIGURES		-	-	-	-	-	-	-	-	-	-	-	-	-
Biblioteek	010	659 540.60	12 884.72	-	-	-	-	-	-	672 425.32	-	672 425.32	16 179.70	(656 245.62)
		658 439.00	34 120.00	-	-	-	-	-	-	692 559.00	-	692 559.00	15 752.00	(676 807.00)
		-	-	-	-	-	-	-	-	-	-	-	-	-
Brandweer	015	705 012.72	118 002.49	78 709.36	-	-	-	-	-	901 724.57	-	901 724.57	13 215.43	(888 509.14)
		707 231.00	276 961.00	150 000.00	-	-	-	-	-	1 134 192.00	-	1 134 192.00	17 482.00	(1 116 710.00)
		-	-	-	-	-	-	-	-	-	-	-	-	-
Belasting	060	-	1 483 317.95	-	-	-	-	-	-	1 483 317.95	-	1 483 317.95	12 163 755.14	10 680 437.19
		-	2 160 320.00	-	-	-	-	-	-	2 160 320.00	-	2 160 320.00	12 008 346.00	9 848 026.00
		-	-	-	-	-	-	-	-	-	-	-	-	-
Gesondheid	065/070	743 002.86	88 299.24	34 600.68	-	-	-	-	-	865 902.78	-	865 902.78	-	(865 902.78)
		1 007 777.00	109 769.00	51 590.00	-	-	-	-	-	1 169 136.00	-	1 169 136.00	-	(1 169 136.00)
		-	-	-	-	-	-	-	-	-	-	-	-	-
Clinic	075	501 315.10	14 726.12	11 491.09	-	-	-	-	-	527 532.31	-	527 532.31	-	(527 532.31)
		577 413.00	36 132.00	11 085.00	-	-	-	-	-	624 630.00	-	624 630.00	-	(624 630.00)
		-	-	-	-	-	-	-	-	-	-	-	-	-
Raad	120	6 016 908.70	4 755 429.75	26 400.20	-	-	-	-	1 828 665.02	12 627 403.67	-	12 627 403.67	286 043.27	(12 341 360.40)
		6 416 437.00	6 129 227.00	25 240.00	-	-	-	-	480 300.00	13 051 204.00	-	13 051 204.00	1 131 738.26	(11 919 465.74)
		-	-	-	-	-	-	-	-	-	-	-	-	-
LISENSIES	100	781 711.21	182 448.33	27 121.57	-	-	-	-	-	991 281.11	-	991 281.11	3 595 404.11	2 604 123.00
		782 000.00	235 159.00	47 200.00	-	-	-	-	-	1 064 359.00	-	1 064 359.00	954 280.00	(110 079.00)
		-	-	-	-	-	-	-	-	-	-	-	-	-
STORES	105	284 612.38	16 343.57	326.04	-	-	-	-	-	301 281.99	-	301 281.99	347 715.08	46 433.09
		294 330.00	47 364.00	1 670.00	-	-	-	-	-	343 364.00	-	343 364.00	224 540.00	(118 824.00)
		-	-	-	-	-	-	-	-	-	-	-	-	-
GEBOUE	110	507 042.04	633 154.35	615 580.17	-	-	-	-	-	1 755 776.56	-	1 755 776.56	52 128.76	(1 703 647.80)
		549 400.00	634 090.00	822 099.00	-	-	-	-	-	2 005 589.00	-	2 005 589.00	61 647.00	(1 943 942.00)
		-	-	-	-	-	-	-	-	-	-	-	-	-
HOUSING SUB-ECON	025	-	3 235.00	-	-	-	-	-	-	3 235.00	-	3 235.00	65 195.58	61 960.58
		-	5 546.00	-	-	-	-	-	-	5 546.00	-	5 546.00	69 989.00	64 443.00
		-	-	-	-	-	-	-	-	-	-	-	-	-
WERKE/ADMINISTRASIE	170	7 666 899.50	3 650 649.32	950 851.65	712 878.90	333 189.65	-	-	-	13 314 469.02	-	13 314 469.02	29 937.72	(13 284 531.30)
		8 322 900.00	725 520.00	1 235 144.00	740 180.00	374 770.00	-	-	-	11 398 514.00	-	11 398 514.00	22 503.00	(11 376 011.00)
		-	-	-	-	-	-	-	-	-	-	-	-	-
PARKE	115	1 127 193.52	616 743.01	68 462.97	20 106.74	-	-	-	-	1 832 506.24	-	1 832 506.24	464 972.38	(1 367 533.86)
		1 290 300.00	543 221.00	123 160.00	23 380.00	-	-	-	-	1 980 061.00	-	1 980 061.00	399 979.00	(1 580 082.00)
		-	-	-	-	-	-	-	-	-	-	-	-	-
BOSBOU	055	2 797 105.32	6 352 198.61	46 373.22	-	-	-	-	-	9 195 677.15	-	9 195 677.15	13 223 486.98	4 027 809.83
		2 934 627.00	7 261 571.00	216 143.00	-	-	-	-	-	10 412 341.00	-	10 412 341.00	13 109 049.00	2 696 708.00
		-	-	-	-	-	-	-	-	-	-	-	-	-
TEGNEIE DIENSTE	175	269 584.43	15 158.43	9 256.67	-	-	-	-	-	293 999.53	-	293 999.53	186 251.06	(107 748.47)
		274 184.00	17 680.00	12 560.00	-	-	-	-	-	304 424.00	-	304 424.00	234 751.00	(69 673.00)
		-	-	-	-	-	-	-	-	-	-	-	-	-
RIOOL=NETWERK	140	-	47 254.45	647 499.03	-	-	-	-	-	694 753.48	-	694 753.48	3 571 263.47	2 876 509.99
		-	74 700.00	1 538 061.00	-	-	-	-	1 510 000.00	3 122 761.00	-	3 122 761.00	3 883 110.00	760 349.00
		-	-	-	-	-	-	-	-	-	-	-	-	-
RIOOL-UITVALWERKE	141	844 623.47	138 395.60	153 417.02	-	-	-	-	-	1 136 436.09	-	1 136 436.09	-	(1 136 436.09)
		856 842.00	146 427.00	173 870.00	-	-	-	-	-	1 177 139.00	-	1 177 139.00	-	(1 177 139.00)
		-	-	-	-	-	-	-	-	-	-	-	-	-
VULLISVERWYDERING	125/130	3 572 244.34	772 853.61	58 756.01	-	-	-	-	-	4 403 853.96	-	4 403 853.96	4 630 860.01	227 006.05
		3 952 990.00	536 404.00	193 453.00	-	-	-	-	-	4 682 847.00	-	4 682 847.00	4 593 795.00	(89 052.00)
		-	-	-	-	-	-	-	-	-	-	-	-	-
BESTUURDER mm	150	1 438 712.10	114 096.29	292.96	-	-	-	-	-	1 553 101.35	-	1 553 101.35	-	(1 553 101.35)
		1 399 840.00	149 002.00	520.00	-	-	-	-	-	1 549 362.00	-	1 549 362.00	-	(1 549 362.00)
		-	-	-	-	-	-	-	-	-	-	-	-	-
KORPORATIEWE DIENSTE	160	4 235 749.38	1 772 360.78	63 068.61	-	-	-	-	-	6 071 178.77	-	6 071 178.77	18 637.32	(6 052 541.45)

		4 327 230.00	1 930 290.95	119 810.00	-	-	-	-	-	6 377 330.95	-	6 377 330.95	2 229.00	(6 375 101.95)
		-	-	-	-	-	-	-	-	-	-	-	-	-
FINANSIES	165	4 234 551.25	4 524 463.37	413 706.27	-	-	-	-	-	9 172 720.89	-	9 172 720.89	40 570 883.14	31 398 162.25
		4 201 369.00	4 333 746.00	678 094.00	-	-	-	-	-	9 213 209.00	-	9 213 209.00	37 572 645.00	28 359 436.00
		-	-	-	-	-	-	-	-	-	-	-	-	-
VASTE EINDOM/CARAVAN	180/185/19	98 489.81	1 000.00	-	-	-	-	-	-	99 489.81	-	99 489.81	1 559.33	(97 930.48)
		186 353.00	1 690.00	-	-	-	-	-	-	188 043.00	-	188 043.00	45 750.00	(142 293.00)
		-	-	-	-	-	-	-	-	-	-	-	-	-
VERKEER	190	3 286 016.09	507 565.01	254 992.86	-	-	-	-	-	4 048 573.96	-	4 048 573.96	1 110 054.00	(2 938 519.96)
		3 248 190.00	455 847.00	396 294.00	-	-	-	-	-	4 100 331.00	-	4 100 331.00	1 670 884.00	(2 429 447.00)
		-	-	-	-	-	-	-	-	-	-	-	-	-
AMPTENAARS BEHUISING	030/040/04	-	28 422.45	1 661.34	-	-	-	-	-	30 083.79	-	30 083.79	139 095.26	109 011.47
		-	36 948.00	1 670.00	-	-	-	-	-	38 618.00	-	38 618.00	128 423.00	89 805.00
		-	-	-	-	-	-	-	-	-	-	-	-	-
HOSTELS	050	77 924.83	36 702.00	-	-	-	-	-	-	114 626.83	-	114 626.83	51 351.00	(63 275.83)
		86 908.00	45 587.00	-	-	-	-	-	-	132 495.00	-	132 495.00	63 706.00	(68 789.00)
		-	-	-	-	-	-	-	-	-	-	-	-	-
NAGVUIL	145	193 592.62	-	110 556.87	-	-	-	-	-	304 149.49	-	304 149.49	475 250.59	171 101.10
		238 053.00	-	18 315.00	-	-	-	-	-	256 368.00	-	256 368.00	238 709.00	(17 659.00)
		-	-	-	-	-	-	-	-	-	-	-	-	-
WATER VERSPREIDING	450	1 668 484.80	509 518.99	94 758.83	-	-	-	-	592 622.92	2 865 385.54	-	2 865 385.54	5 141 989.59	2 276 604.05
		1 679 512.00	1 391 638.00	150 310.00	-	-	-	-	1 500 000.00	4 721 460.00	-	4 721 460.00	7 157 683.00	2 436 223.00
		-	-	-	-	-	-	-	-	-	-	-	-	-
WATER-OPGAAR	451	1 115 154.14	664 469.08	261 100.90	86 354.49	-	-	-	-	2 127 078.61	-	2 127 078.61	-	(2 127 078.61)
		1 144 890.00	667 599.00	259 320.00	148 020.00	-	-	-	-	2 219 829.00	-	2 219 829.00	-	(2 219 829.00)
		-	-	-	-	-	-	-	-	-	-	-	-	-
ELEKTRISITEIT-NETWERK	430	3 785 913.78	19 419 273.96	1 970 410.95	1 214 967.46	324 419.77	-	-	965 128.76	27 680 114.68	-	27 680 114.68	28 574 030.98	893 916.30
		4 775 596.00	19 704 985.00	2 582 698.00	1 235 110.00	483 550.00	-	-	-	28 781 939.00	-	28 781 939.00	36 262 309.00	7 480 370.00
		-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-
TOTALE		46 976 981.65	46 526 263.54	5 899 395.27	2 034 307.59	657 609.42	-	-	3 386 416.70	105 480 974.17	-	105 480 974.17	114 916 920.90	9 435 946.73
BEGROTING SYFERS		50 278 671.00	47 776 844.95	8 808 306.00	2 146 690.00	858 320.00	-	-	3 490 300.00	113 359 131.95	-	113 359 131.95	120 051 759.26	(6 692 627.31)
AFWYKING		3 301 689.35	1 250 581.41	2 908 910.73	112 382.41	200 710.58	-	-	103 883.30	7 878 157.78	-	7 878 157.78	5 134 838.36	(16 128 574.04)
% AFWYKING		7.03%	2.69%	49.31%	5.52%	30.52%			3.07%	7.47%		7.47%	-4.47%	170.93%
WERKLIKE UITGAWE-% VAN INKOMSTE TOTAAL		40.88%	40.49%	5.13%	1.77%	0.57%			2.95%					
WERKLIKE UITGAWE-% VAN UITGAWE TOTAAL		44.54%	44.11%	5.59%	1.93%	0.62%			3.21%					

**MKHONDO MUNICIPALITY
REPORT FROM THE DIRECTOR FINANCE
FOR THE YEAR ENDED 30 JUNE 2008**

1 OPERATING RESULTS

Details of operating results by classification, object of expenditure and department are set out in appendices D and E. Pertinent statistics are reflected in appendix F.

The overall operating results for the year are as follows:

	Actual 2006/2007 R	Actual 2007/2008 R	Year on year variance %	Budget 2007/2008 R	Variance 2007/2008 actual/ budget %
INCOME					
Opening surplus	48 979 743	15 595 497	-68.16%		
Operating income	105 916 262	114 916 921	8.50%	120 051 759	4.28%
Appropriations	0				
Closing deficit					
	154 896 005	130 512 418		120 051 759	
EXPENDITURE					
Opening deficit					
Operating expenditure	93 150 551	105 480 974	13.24%	113 359 131	6.95%
Appropriations	46 149 957	11 119 280	-75.91%		
Closing surplus	15 595 497	13 912 164	-10.79%		
	154 896 005	130 512 418		113 359 131	

1.1

Rate and general services

	Actual 2006/2007 R	Actual 2007/2008 R	Year on year variance %	Budget 2007/2008 R	Variance 2007/2008 actual/ budget %
Income	72 706 816	81 200 900	11.68%	40 825 401	49.72%
Expenditure	30 429 648	32 672 579	7.37%	32 994 359	0.98%
Surplus(Deficit)	42 277 168	48 528 321	0	7 831 042	0.49
Deficit as % of total income	58.1%	59.8%		19.2%	

1.2

Trading service

	Actual 2006/2007 R	Actual 2007/2008 R	Year on year variance %	Budget 2007/2008 R	Variance 2007/2008 actual/ budget %
Income	33 209 446	33 716 021	1.53%	40 825 401	17.41%
Expenditure	30 429 648	32 672 579	7.37%	32 994 359	0.98%
Surplus(Deficit)	2 779 798	1 043 442	-5.85%	7 831 042	86.68%
Surplus as % of total income	8.37%	3.09%		19.18%	

CAPITAL EXPENDITURE AND FINANCING

Expenditure on fixed assets was as follows:

		2007/2008 Actual R
Buildings		3 921 422
Fire Brigade		1 283 710
Roads		8 812 655
Afforestation		622 055
Sewerage scheme		6 432 116
Plant and equipment		26 331 337
Furniture and equipment		1 228 027
Vehicles		367 003
Waterworks		14 260 529
Electricity		3 490 874
		66 749 728

Appendix C sets out capital expenditure by service and department.

Sources of funding were as follows:

	2007/2008 Actual R
Internal funds	17 076 823
MIG	31 681 527
GSDM	17 991 378
	66 749 728

3 **EXTERNAL LOANS, INVESTMENTS AND BANK BALANCES**

The year end balances of external loans, investments and bank balances were as follows:

	2006/2007 R	2007/2008 R
External loans	<u>13 728 365</u>	<u>12 447 141</u>
Investments	<u>67 545 016</u>	<u>51 976 598</u>
Bank balance	<u>-3 394 705</u>	<u>6 220 031</u>

More information on loans and investments is contained in notes 2 and 4 and appendix B.

4 **FUNDS ,RESERVES AND PROVISIONS**

Appendix A sets out the movement on funds, reserves and provisions.

Reserves,Provisions and Trustfunds ammount to R45 230 550 on 30 June 2008

5 **POST BALANCE SHEET EVENTS**

Unidentified transactions on the bank reconilliation has been IDENTIFIED AND CAPTURED in the 2008/2009 finacial year.

6 **APPRECIATION**

I would like to thank the chairperson, councillors, departmental heads and council staff for the support received during the year.

ACTING DIRECTOR FINANCE